



10/11/05

## BUDGETS

House-versions of Senate budget bills

- The Senate reconsidered the non-concurrence votes to the House substitutes to SBs 266-70, SB 273, SB 278. The bills were then sent back to the Appropriations Committee.

## FINAL PASSAGE

### **SB 457 (Cropsey)**

SB 457 would convey three parcels of property in Ionia County to the County of Ionia. The property currently is under the jurisdiction of the Department of Corrections. All three parcels would be conveyed to the county for a total of \$1. The property would have to be used exclusively for the purpose of a public park.

- *SB 457 was moved to 3<sup>rd</sup> Reading. No amendments. (10/6)*
- *SB 457 passed with IE [RC 462: 37 yes, 0 no].*

### **SB 708 (Bishop)**

SB 708 would increase from .03 cent to three cents the maximum amount of the fee stated in the Michigan Children's Protection Registry Act for verifying compliance with the Registry. The maximum fee was erroneously set at 0.03 cent in the legislation creating the Child Protection Registry, and should be changed to three cents.

- *SB 708 was moved to 3<sup>rd</sup> Reading. No amendments.*
- *SB 708 passed with IE [RC 463: 38 yes, 0 no].*

### **SB 754 (Brown)**

SB 754 would change current telecommunications law in Michigan by amending the framework for rate regulation by embodying a principle of "single-line regulation." Customers would be guaranteed an a safety-net service of one line into the home with at least 200 calls per month); providers would be able to set their own rates for all other services, essentially economically deregulating most residential local telecommunication services and all business services. Providers would now be allowed more than one rate increase during a 12-month period, and would no longer have to have a cost study done before modifying rates. Providers would be able to charge late fees for regulated services (currently they are not able to).

Support: SBC, Telecommunications Association of Michigan.

Oppose: AARP, SBAM – this would stifle competition, driving the competitive carriers out of business, allowing the remaining businesses to price their services at whatever level they want to; this would be bad for consumers and small businesses who rely on competition (no choices, no fair pricing); they fear a return to monopoly.

- Committee 1 (S-5) was adopted.
- Patterson 1A was adopted.
- Cassis 1B was adopted. This would allow small businesses to qualify for basic level phone service.
- Kuipers 1C was adopted. This would require a report on the status of competition in the state.
- OLSHOVE 1D was adopted. Only out-going calls would count towards the basic service 200 calls limit.
- JACOBS 1E was adopted. The would ensure that the MPSC would have the authority to collect data necessary to complete required reports.
- Brown 1F was adopted. This would allow those choosing basic service to also choose voice mail, call waiting, etc.
- Brown 1G was adopted. Predatory pricing complaints would be heard by the MPSC.
- Brown 1H was adopted. Operators would have to provide rate information upon request by callers.
- OLSHOVE 1I was adopted. Technical change.
- CLARKE 1J was defeated. Require unregulated providers to register contact information with the MPSC, so that those with complaints can contact the provider.
- BASHAM 1K was defeated. This would give the MPSC a framework to help customers not lose service when a business goes out of business.
- JACOBS 1L was defeated. Alternative dispute resolution language would be restored.
- BERNERO 1M was defeated. MPSC would have authority to settle disputes between providers.
- OLSHOVE 1N was defeated. This would allow the basic service to be available statewide.
- OLSHOVE 1O was adopted. All local providers must offer basic services.
- CLARKE-COLMAN 1P was adopted. MPSC would have authority to regulate basic services.
- Patterson 1Q was adopted. Study to make sure low-income people do have service.
- Patterson 1R was adopted. Calls above 200 would be charged a set rate.

- BERNERO 1S was defeated. MPSC would have limited jurisdiction over consumer protection of wireless/cell phone service, but not rates. Modeled after AARP guidelines.
- BERNERO 1T was defeated. Verifiable coverage maps required by cell phone companies.
- BERNERO 1U was defeated.
- BERNERO 1V was defeated. Cell phone companies would have to have a toll-free helpline staffed by a live person.
- BERNERO 1W was defeated. Customers would be able to have a 20-day trial period (after their first bill), so that they can check out their service, its costs, etc.
- BERNERO 1X was defeated. Consumers could end contract agreements with a maximum \$20 fee penalty.
- EMERSON 1Y was defeated. Basic service must be a landline, not unregulated cell phone service.
- SCHAUER 1Z was defeated. To protect those selecting the basic, regulated service, extra services would not jeopardize that basic service.
- JACOBS 1AA was adopted. Caps late fee at 5% of the bill.
- CHERRY 1BB was defeated. This would strike the part of the bill allowing companies to charge late fees.
- CLARKE-COLMAN 1CC was defeated. MPSC would have oversight of basic service rate increases.
- CLARKE-COLMAN 1DD was withdrawn.
- BRATER 1EE was defeated. This would restore current protections which limit providers to one rate increase per 12-month period.
- JACOBS FF was adopted. Truth-in-billing amendment.
- JACOBS 1GG was defeated. Gives 30-days notice of the end of a service contract.
- OLSHOVE 1HH was defeated. This would regulate call plans in excess of 200 calls.
- JACOBS 1II was withdrawn.
- JACOBS 1JJ was defeated. The consumer would have to affirmatively consent to additional services being added to their bill (i.e., cramming) by an unregulated service provider.
- BRATER 1KK was defeated. Unregulated providers would have to file a plan with MPSC to provide 911 services.
- BRATER 1LL was defeated. This would guarantee phone number portability, so people could keep their current phone number.

- SCHAUER 1MM was withdrawn. This would require companies to justify (before the MPSC) the end-user line charge (EUCL).
- CLARKE 1NN was withdrawn.
- BERNERO 1OO was defeated. Wholesale rates would have to be lower than retail rates. This would eliminate predatory pricing.
- JACOBS 1PP was withdrawn.
- SCOTT 1 QQ was defeated.
- THOMAS 1RR was defeated. MPSC to work cooperatively with MDOT and the State Police to help determine the proper use of cell phone use by drivers.
- Sikkema 1SS was withdrawn.
- CHERRY 1TT was defeated. If any service is to be cancelled, 14-days notice must be given.
- BRATER 1UU was defeated. Repair contact information would be included in bills.
- CHERRY 1VV was withdrawn.
- Bishop 1WW was defeated. Interconnection agreements.
- BERNERO 1XX was withdrawn.
- JACOBS 1YY was defeated. This would prohibit a change in service without the customer's consent (i.e., slamming).
- Sikkema 1ZZ was adopted. This would eliminate the end-user line charge (EUCL). It would also require companies to go to the MPSC before passing along the costs in ending the user charge.
- BRATER 1AAA was defeated. Profits from basic service could not be used to support unregulated service.
- Brown 1BBB was adopted. This would clarify local calling areas.
- Sikkema 1CCC was withdrawn.
- Sikkema 1DDD was adopted. Non-landlines could be used to provide basic service.
- SCHAUER 1EEE was adopted.
- SB 754 was moved to 3<sup>rd</sup> Reading.
- EMERSON 1 was withdrawn.

- SCHAUER 2 – OLSHOVE 20 were combined into one amendment (per Sikkema's request) and adopted [RC 465: 38 yes, 0 no].
- SB 754 passed [RC 466: 38 yes, 0 no].

### **SB 798 (McManus)**

SB 798 would allow a business in Cadillac (McManus' district) to be eligible to receive a MEGA tax credit. The facility has been working with MEDC to insure that it can be sold to a group of investors rather than close and have the work shipped overseas. The Attorney General has opined that the facility is not eligible for a MEGA credit since it would not create new jobs. The issuance of a MEGA credit would insure the success of the sale.

- SB 798 was moved to 3<sup>rd</sup> Reading. No amendments.
- SB 798 passed [RC 464: 38 yes, 0 no].

## **THIRD READING**

### **SB 751 (Allen)**

SB 751 specifies that Summer Resort Associations (authorized by a 1929 law) may assess and collect dues only with the approval of the membership. Also that unless the bylaws of the Association specify otherwise the dues must be approved by a majority of the members, rather than a majority of the votes cast.

- Committee 1 (S-1) was adopted.
- SB 751 was moved to 3<sup>rd</sup> Reading.

### **SB 785 (Bishop)**

SB 785 would require a person who desired to send an e-mail message prohibited under current law to obtain prior consent to receive the message from an age-verified adult.

Last session, the Legislature enacted the Michigan Children's Protection Registry Act in an effort to keep certain spam emails (such as those advertising tobacco or alcohol products, pornography, or gambling) away from children. Individuals are able to register email addresses of minors with the state, and e-marketers of the prohibited products are required to periodically compare their email databases with the state's to ensure that no one on the registry is being marketed to; a fee is charged the marketer, which is not to exceed 3 cents per email checked.

- Committee 1 (S-1) was adopted.
- SB 785 was moved to 3<sup>rd</sup> Reading.

### **HB 4638 (Garfield)**

HB 4638 would amend the Michigan Code of Military Justice to: 1) clarify the kinds of, and reasons for, courts-martial; 2) revise certain disciplinary punishments; extend the list of property crimes; 3) prohibit the use of a controlled substance while on duty; 4) establish "lack of mental responsibility" as a defense in a trial by court-martial; 5) and prohibit a person from using contemptuous words against political and military leaders.

Under the bill, the code would apply more broadly -- to all members of the state military forces when not in federal services and to all other people lawfully called, ordered, drafted, transferred, or inducted into, or ordered to duty in or with the state military forces, from the date they are required by the terms of the call, order, or other directive. Those subject to the code would include all persons serving in the state military forces and all persons of the state military forces in active service.

- Stamas 1 (1 amend) was adopted.
- HB 4638 was moved to 3<sup>rd</sup> Reading.

#### **HB 5055 (Caswell)**

HB 5055 would extend a tax (Quality Assurance Assessment) to include governmentally-owned nursing homes (county medical care facilities) in the assessment. Previously, these homes have benefited from Medicaid special financing which has been phased out by the federal government. Current law assesses the fee on nursing homes and long-term care facilities, but not governmentally-owned nursing homes. HB 5055 would allow the State to increase the amount of tax it retains from \$21.9 million to \$39.9 million, for \$18.0 million savings.

- Committee 1 (S-1) was adopted.
- HB 5055 was moved to 3<sup>rd</sup> Reading.